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UNCLAS SECTION 01 OF 02 KHARTOUM 001716

DEPT FOR AF A/S FRAZER, SE WILLIAMSON, AF/SPG NSC FOR PITTMAN AND HUDSON ADDIS ABABA FOR USAU DEPT PLS PASS USAID FOR AFR/SUDAN

SENSITIVE SIPDIS

E.O. 12958: N/A

TAGS: <u>ASEC PGOV PREL KPKO SOCI AU UNSC SU</u> SUBJECT: GOSS RENEGOTIATES DDR AGREEMENT

- 11. (SBU) Summary: In a letter to the UN dated November 16, GOSS Vice President Riek Machar withdrew GOSS agreement to a Demobilization, Disarmament and Reintegration program it had previously signed with the UN last June in Geneva. Southern Sudan DDR Commission Chairperson William Deng Deng, in a conversation with ConGen Juba on November 24, blamed himself for the problem, saying that he had not properly coordinated information sharing within the GOSS, resulting in confusion over what the document committed them to do. Disagreements over how the donor funded Reintegration Trust Fund in the agreement is to be "co-managed" by the UN and GOSS subsequently stirred anger and suspicion within the GOSS over the role of the GOSS as a true partner in the process. End Summary.
- 12. (SBU) In a letter to the UN dated November 16 GOSS Vice President Riek Machar withdrew GOSS agreement to a DDR paper signed by the GOSS Minister of Regional Cooperation with the UN last June in Geneva. The letter laid out concerns about how UNDP and the GOSS are to "co-manage" a reintegration trust fund to be established by the donor community to fund the program. According to a UN source, Machar insisted that clarifications needed to be made by UNDP to ensure that the GOSS is treated as an equal partner in the decision making process concerning the use of the money, and not as a "dependent client subservient to the dictates of a paternal UN organization."
- 13. (SBU) Sources within the UN admitted to ConGen Juba on November 24 that the problem is partly, in fact, of UNDP's making. First, there are no UNDP representatives in Juba; the program is administered by UNDP from Khartoum. This Northern optic automatically raises suspicions on the part of the South, which were greatly magnified when it was discovered that the agreement presented to the GOSS in Geneva was missing language concerning the co-management (UNDP-GOSS) of the Reintegration Trust Fund that had been agreed to. While it is said the omission was accidental, the GOSS was pressured in Geneva to sign the document anyway, which it reluctantly did with assurances that the error would be rectified. The missing language was subsequently reinstated, but the damage to GOSS confidence in UNDP's intentions had already been done.
- 14. (SBU) The misunderstanding resulted in senior GOSS leaders subsequently taking a much closer look at the agreement following the signing. With their reservations aggravated by past perceived slights by UNDP and the suspicion that the dropping of the missing text had been intentional, GOSS doubts culminated in the Machar letter placing the agreement on hold while the GOSS seeks reassurances on exactly how the Reintegration Trust Fund is to be "co-managed". The GOSS is also asking for clarification on its role as an equal partner in the program. The GOSS complained that the UNDP is using too much of the Trust Fund to build up its own capacity instead of using the money to build up GOSS capacity.
- $\underline{\mbox{1}}5.$  (SBU) UN sources told ConGen Juba on November 24 that they were hopeful that the situation could be remedied to everyone's

satisfaction and the program put back on track. They promised to get back to ConGen Juba with additional updates as new meetings are held to address GOSS concerns.

- 16. (SBU) Comment: Once again the GOSS has demonstrated that its lack of experience as a national entity and its thin managerial capacity at the top lead it to make mistakes. First, there was the admitted lack of coordination of information sharing within the GOSS by the SSDDRC Chairman, followed by a GOSS minister once again allowing himself to be pushed to sign an agreement that did not meet his expectations (reminiscent of how the GOSS got into trouble with the census agreement.) This was followed by a senior leadership decision to renege on the signing pending demands for further assurances and clarifications; in short, a renegotiation of the agreement. This is not how a mature government operates, but it is the reality of the circumstances of the Government of Southern Sudan. Those who deal with it must be prepared to have the patience to seek comprehensive buy-in and help the GOSS do its homework. So far the DDR program snafu has mostly been an internal matter that has not raised much attention. One hopes it can be fixed before any real damage is done to donor willingness to fund the Reintegration package in the agreement, and before relations between the GOSS and UNDP are further strained. Given its financial straits and the lack of real economic alternatives in the South, the GOSS needs to cultivate rather than alienate these international partners.
- 17. (SBU) Comment Continued: UNMIS DDR Chief Adrian Verheul told polchief on November 23 that he was confident the concerns of the GOSS could be addressed, and appeared eager to work with UNDP and the GOSS to resolve the problem. As the first phase of the DDR program is in the interests of the GOSS (assisting war-wounded and

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demobilizing those veterans who are past retirement,) we anticipate that the GOSS will eventually allow the program to go forward. However there is little appetite in the North or the South to cut deeper into the SAF and SPLA and demobilize the 160,000 troops (80,000 on each side) that are called for in the CPA.

FERNANDEZ